

2009 DRAFTING REQUEST

Bill

Received: 02/23/2010

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Gordon Hintz (608) 266-2254

By/Representing: cecely

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Tax, Business - crp inc, fran

Extra Copies:

Submit via email: YES

Requester's email: Rep.Hintz@legis.wisconsin.gov

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Retain withholding taxes for hiring new employees

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/P1	jkreye 02/23/2010	jdyer 02/23/2010	rschluet 02/23/2010	_____	mbarman 02/23/2010		State
/P2	jkreye 02/24/2010	jdyer 02/24/2010	rschluet 02/25/2010	_____	lparisi 02/25/2010		State
/1	jkreye 02/25/2010	jdyer 02/25/2010	mduchek 02/25/2010	_____	mbarman 02/25/2010	mbarman 02/25/2010	

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For: "1" @ intro. 3/15/10

<END>

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/P2	jkreye 02/24/2010 jkreye	jdyer 02/24/2010	rschluet 02/25/2010		lparisi 02/25/2010		

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<END>

2009 DRAFTING REQUEST

Bill

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Wanted: As time permits

For: Donna Seidel (608) 266-0654

This file may be shown to any legislator: NO

May Contact:

Subject: Tax, Business - crp inc, fran

Received By: jkreye

Identical to LRB:

By/Representing: chris

Drafter: jkreye

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: Rep.Seidel@legis.wisconsin.gov

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov

Rep Hinky

Hinky

Pre Topic:

No specific pre topic given

Topic:

Retain withholding taxes for hiring new employees

Instructions:

See attached

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/P1	jkreye 02/23/2010	jdye 02/23/2010	rschuet 02/23/2010		mbarman 02/23/2010		

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<END>

22410

2009 DRAFTING REQUEST

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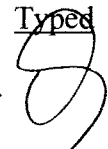
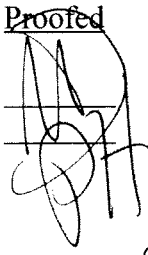
Topic:


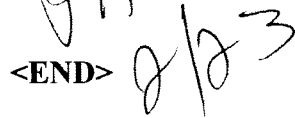
Retain withholding taxes for hiring new employees

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1/2	jkreye	1/21 2/23 jld					

FE Sent For:  2/23/10  2/23
<END>

2-23-10

Chris — Rep. Hedel

Payroll tax withholding credit?

— similar to fed "social security holiday"

similar also to what Sen. Dickson is doing

→ reimburse employer for the amount of income tax for new employees

— full-time, nonseasonal
 — employed for a "meaningful" period, but don't want to delay benefits to employer

— may need recapture provision if employees not employed long enough

— use fed eligibility criteria
 cap at \$2,000,000 total

may claim this on the job credit, but not lost
 business with 10 or fewer employees

Kreye, Joseph
From: McKinny, Chris
Sent: Tuesday, February 23, 2010 10:10 AM
To: Kreye, Joseph; Reinhardt, Rob
Cc: Lundquist, Lisa
Subject: Payroll Tax Credit Bill

Attachments: 20100223110419983.pdf

Hi Joe,

I just wanted to send you a brief rundown of what we discussed so you and Rob can touch base if there are any logistical problems with putting a draft together. I have also attached the eligibility criteria that the feds are using below. We would like to mirror the fed's criteria in our bill. Here is the rough idea for the bill:

1. Create a credit for the payroll taxes that employers withhold on behalf of the new employees they hire.
2. Limit the application to employers with ten or fewer employees.
3. Ensure that the new hires are full-time, non seasonal hires.
4. Ensure that the employees are hired for a meaningful period of time, but find a way to get the credit to the employer sooner rather than later (i.e., create some type of clawback provision to prevent employers from gaming the system)
5. Cap the total amount of credits available to \$2 million dollars to create a definite fiscal estimate rather than indeterminate
6. Ensure that employers cannot qualify for both this new credit AND the previously existing Jobs Tax Credit.

The general idea is to direct this to smaller employers. Please let me know if you have any questions-I realize that this request is a bit sparse in terms of details. As I said on the phone, we would like to circulate this bill draft for co-sponsorship as soon as possible. Thank you very much for your help.



2010022311041998
3.pdf (56 KB)

Chris McKinny
Office of Rep. Donna Seidel
Assistant Majority Leader
608-266-0654 (office)
1-888-534-0085 (toll free)

1 “(A) begins employment with a qualified
2 employer after February 3, 2010, and before
3 January 1, 2011,

4 “(B) certifies by signed affidavit, under
5 penalties of perjury, that such individual has
6 not been employed for more than 40 hours dur-
7 ing the 60-day period ending on the date such
8 individual begins such employment,

9 “(C) is not employed by the qualified em-
10 ployer to replace another employee of such em-
11 ployer unless such other employee separated
12 from employment voluntarily or for cause, and

13 “(D) is not an individual described in sec-
14 tion 51(i)(1) (applied by substituting ‘qualified
15 employer’ for ‘taxpayer’ each place it appears).

16 “(4) ELECTION.—A qualified employer may
17 elect to have this subsection not apply. Such election
18 shall be made in such manner as the Secretary may
19 require.”

20 (b) COORDINATION WITH WORK OPPORTUNITY
21 CREDIT.—Section 51(e) is amended by adding at the end
22 the following new paragraph:

23 “(5) COORDINATION WITH PAYROLL TAX FOR-
24 GIVENESS.—The term ‘wages’ shall not include any
25 amount paid or incurred to a qualified individual (as

[Wis. Biz. Payroll Tax
limit to under 10 ee's
not employed 2 months b/f bill]



2009 SENATE BILL 539

February 16, 2010 - Introduced by Senators LEIBHAM, HOPPER, LAZICH, KANAVAS, DARLING, SCHULTZ, OLSEN, A. LASEE, KEDZIE and KREITLOW, cosponsored by Representatives KNODL, NEWCOMER, VOS, DAVIS, ZIEGELBAUER, SUDER, PETERSEN, PRIDEMORE, PETROWSKI, KESTELL, TOWNSEND, KERKMAN, ZIPPERER, BROOKS, SPANBAUER, A. OTT, GUNDERSON, BIES and LEMAHIEU. Referred to Committee on Public Health, Senior Issues, Long-Term Care, and Job Creation.

1 AN ACT *to create* 71.645 and 560.2057 of the statutes; **relating to:** tax incentives
2 for job creation.

Analysis by the Legislative Reference Bureau

Under this bill, generally, a business that increases its net employment by at least 15 full-time employees in any taxable year may begin to receive a tax benefit, if it applies to the Department of Commerce (Commerce) to receive that benefit. Under the bill, an eligible business may, rather than submit the amount as withholding taxes, retain an amount that is equal to the withholding taxes that the business is required to pay on wages earned by each full-time employee, as certified by Commerce, in the year for which the business claims the tax benefit, multiplied by the employee's applicable tax rate. A business may claim the benefit for only five years, unless the business can demonstrate to Commerce that it needs an additional five-year extension. Under the bill, the Department of Revenue (DOR) considers all amounts retained as tax benefits to be amounts submitted to DOR as withholding taxes.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 SECTION 1. 71.645 of the statutes is created to read:

SENATE BILL 539**SECTION 1**

1 **71.645 Job creation tax benefit.** Subject to the limitations provided in this
2 section and s. 560.2057, and notwithstanding any other provision in this subchapter,
3 for taxable years beginning after December 31, 2009, a person who is certified to
4 receive tax benefits under s. 560.2057 (2) may, rather than submit the amount as
5 withholding taxes, retain the amount determined under s. 560.2057 (4) (b). The
6 person shall report this amount to the department, in the manner prescribed by the
7 department, and, for purposes of this chapter, the department shall treat all amounts
8 retained under this section as if the amounts had been withheld pursuant to this
9 subchapter.

10 **SECTION 2.** 560.2057 of the statutes is created to read:

11 **560.2057 Jobs creation tax benefit. (1) DEFINITIONS.** In this section:

12 (a) “Business” means any organization or enterprise operated for profit,
13 including a proprietorship, partnership, firm, business trust, joint venture,
14 syndicate, corporation, limited liability company, or association.

15 (b) “Eligible employee” means a person employed in a full-time job by a person
16 certified in sub. (2).

17 (c) “Full-time job” means a regular, nonseasonal full-time position in which an
18 individual, as a condition of employment, is required to work at least 2,080 hours per
19 year, including paid leave and holidays. “Full-time job” does not include initial
20 training before an employment position begins.

21 (d) “Tax benefits” means the jobs creation tax benefit under s. 71.645.

22 **(2) CERTIFICATION.** The department may certify a person to receive tax benefits
23 under this section if all of the following apply:

24 (a) The person is operating or intends to operate a business in this state.

SENATE BILL 539

1 (b) The business satisfies the eligibility criteria established by the department
2 by rule under sub. (5) (d).

3 (c) The person applies under this section.

4 **(3) ELIGIBILITY FOR TAX BENEFITS.** A person certified under sub. (2) may receive
5 tax benefits under this section if, in the first year for which the person claims tax
6 benefits under this section, the person increases net employment in the person's
7 business by at least 15 eligible employees.

8 **(4) DURATION AND DETERMINATION OF BENEFITS.** (a) 1. Except as provided in subd.
9 2., the certification of a person under sub. (2) may remain in effect for no more than
10 5 cumulative years.

11 2. The department may extend the certification of a person under this section
12 for an additional 5 years if the department determines the business has a
13 demonstrated need for the extension.

14 (b) The department may award to a person certified under sub. (2) tax benefits
15 for each eligible employee hired as provided under sub. (3) in an amount equal to the
16 withholding taxes that the person is required to pay under subch X of ch. 71 on wages
17 earned by each eligible employee in the year for which the tax benefit is claimed,
18 multiplied by the rate under s. 71.06 that applies to that employee.

19 **(5) DUTIES OF THE DEPARTMENT.** (a) The department of commerce shall notify
20 the department of revenue when the department of commerce certifies a person to
21 receive tax benefits.

22 (b) The department of commerce shall notify the department of revenue within
23 30 days of revoking a certification made under sub. (2).

24 (c) The department shall annually verify the information submitted to the
25 department by the person claiming tax benefits under s. 71.645.

SENATE BILL 539**SECTION 2**

1 (d) The department shall promulgate rules for the implementation and
2 operation of this section, including rules relating to the following:

3 1. Criteria to be satisfied by a business for a person operating the business to
4 be eligible for certification under sub. (2).

5 2. Minimum wages to be paid to an eligible employee by a person employing
6 that employee in order for that person to obtain and retain certification under sub.
7 (2).

8 3. Conditions for the revocation of a certification under par. (b).

9 **SECTION 3. Nonstatutory provisions.**

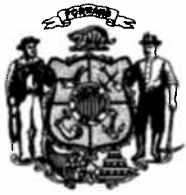
10 (1) **JOB CREATION TAX INCENTIVES.** The department of commerce may use the
11 procedure under section 227.24 of the statutes to promulgate rules under section
12 560.2057 (5) (d) of the statutes, as created by this act. Notwithstanding section
13 227.24 (1) (c) and (2) of the statutes, emergency rules promulgated under this
14 subsection remain in effect until July 1, 2010, or the date on which permanent rules
15 take effect, whichever is sooner. Notwithstanding section 227.24 (1) (a) and (3) of the
16 statutes, the department is not required to provide evidence that promulgating a rule
17 under this subsection as an emergency rule is necessary for the preservation of the
18 public peace, health, safety, or welfare and is not required to provide a finding of
19 emergency for a rule promulgated under this subsection.

20 (2) **RULES.** Notwithstanding sections 227.137 (2) and 227.138 (2) of the statutes,
21 if the secretary of administration requires the department of commerce to prepare
22 an economic impact report for the rules required under section 560.2057 (5) (d) of the
23 statutes, as created by this act, the department may submit the proposed rules to the
24 legislature for review under section 227.19 (2) of the statutes before the department

SENATE BILL 539

1 completes the economic impact report and before the department receives a copy of
2 the report and approval under section 227.138 (2) of the statutes.

3 (END)



Jed

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 2-23-10

due Fri. 2-26

D-N

Gen

1

AN ACT ...; relating to: tax benefits for hiring new employees

and granting rule-making authority

Analysis by the Legislative Reference Bureau

Under this bill, generally, a business that hires new full-time employees may begin receive a tax benefit, if it applies to the Department of Commerce (Commerce) to receive that benefit. Under the bill, an eligible business may, rather than submit the amount as withholding taxes, retain an amount that is equal to the withholding taxes that the business is required to pay on wages earned by each full-time employee, as certified by Commerce, in the year for which the business claims the tax benefit, multiplied by the employee's applicable tax rate. A business is only eligible for the tax benefits if it employs no more than 10 employees during the year. Under the bill, the Department of Revenue (DOR) considers all amounts retained as tax benefits to be amounts submitted to DOR as withholding taxes.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 2 SECTION 1. 71.645 of the statutes is created to read:
- 3 **71.645 Job creation tax benefit.** Subject to the limitations provided in this
- 4 section and s. 560.2057, and notwithstanding any other provision in this subchapter,

1 for taxable years beginning after December 31, 2009, a person who is certified to
2 receive tax benefits under s. 560.2057 (2) may, rather than submit the amount as
3 withholding taxes, retain the amount determined under s. 560.2057 (4) (b). The
4 person shall report this amount to the department, in the manner prescribed by the
5 department, and, for purposes of this chapter, the department shall treat all amounts
6 retained under this section as if the amounts had been withheld pursuant to this
7 subchapter.

8 SECTION 2. 560.2057 of the statutes is created to read:

9 560.2057 Job creation tax benefit. (1) DEFINITIONS. In this section:

10 (a) "Business" means any organization or enterprise operated for profit,
11 including a proprietorship, partnership, firm, business trust, joint venture,
12 syndicate, corporation, limited liability company, or association.

13 (b) "Eligible employee" means an individual employed in a full-time job by a
14 person certified in sub. (2), if all of the following apply:

15 1. The individual begins employment with the person certified in sub. (2) after
16 February 3, 2010, and before January 1, 2011.

17 2. The individual certifies to the department, in the manner prescribed by the
18 department, that the individual has not been employed for more than 40 hours
19 during the 60-day period ending on the date that the individual begins his or her
20 employment with the person certified in sub. (2).

21 3. The individual is not employed by the person certified in sub. (2) to replace
22 another employee of the person unless the other employee separated from his or her
23 employment with the person voluntarily or unless person terminated the other
24 employee for cause.

25 4. The individual is not an individual described in 26 USC 51 (i) (1).

1 (c) "Full-time job" means a regular, nonseasonal full-time position in which an
2 individual, as a condition of employment, is required to work at least 2,080 hours per
3 year, including paid leave and holidays. "Full-time job" does not include initial
4 training before an employment position begins.

5 (d) "Tax benefits" means the jobs creation tax benefit under s. 71.645.

6 (2) CERTIFICATION. The department may certify a person to receive tax benefits
7 under this section if all of the following apply:

8 (a) The person is operating or intends to operate a business in this state.

9 (b) The person's business employs no more than 10 employees during the
10 taxable year for which the person seeks to claim tax benefits under this section.

11 (c) The person applies under this section.

12 (3) TAX BENEFITS. The department may award to a person certified under sub.
13 (2) tax benefits for each eligible employee in an amount equal to the withholding
14 taxes that the person is required to pay under subch. X of ch. 71 on wages earned by
15 each eligible employee in the year for which the tax benefit is claimed, multiplied by
16 the rate under s. 71.06 that applies to that employee.

17 (4) LIMITATIONS. (a) A person may not claim the tax benefits under this section
18 and the tax credits under ss. 71.07 (3q), 71.28 (3q), and 71.47 (3q) for amounts related
19 to the same employees.

20 (b) The maximum amount of tax benefits that may be awarded under this
21 section is \$2,000,000.

22 (c) If an eligible employee does not work for the person certified under sub. (2)
23 for at least 30 days during the taxable year for which the person receives the tax
24 benefits, the person shall repay the amount of the tax benefits received for that
25 employee in the manner prescribed by rule by the department.

1 **(5) DUTIES OF THE DEPARTMENT.** (a) The department of commerce shall notify
2 the department of revenue when the department of commerce certifies a person to
3 receive tax benefits.

4 (b) The department of commerce shall notify the department of revenue within
5 30 days of revoking a certification made under sub. (2).

6 (c) The department shall annually verify the information submitted to the
7 department by the person claiming tax benefits under s. 71.645.

8 (d) The department shall promulgate rules for the implementation and
9 operation of this section, including rules relating to the conditions for the revocation
10 of a certification under par. (b).

11 **SECTION 3. Nonstatutory provisions.**

12 **(1) JOB CREATION TAX BENEFITS.** The department of commerce may use the
13 procedure under section 227.24 of the statutes to promulgate rules under section
14 560.2057 (5) (d) of the statutes, as created by this act. Notwithstanding section
15 227.24 (1) (c) and (2) of the statutes, emergency rules promulgated under this
16 subsection remain in effect until July 1, 2010, or the date on which permanent rules
17 take effect, whichever is sooner. Notwithstanding section 227.24 (1) (a) and (3) of the
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19 under this subsection as an emergency rule is necessary for the preservation of the
20 public peace, health, safety, or welfare and is not required to provide a finding of
21 emergency for a rule promulgated under this subsection.

22 **(2) RULES.** Notwithstanding sections 227.137 (2) and 227.138 (2) of the statutes,
23 if the secretary of administration requires the department of commerce to prepare
24 an economic impact report for the rules required under section 560.2057 (5) (d) of the
25 statutes, as created by this act, the department may submit the proposed rules to the

1 legislature for review under section 227.19 (2)[✓] of the statutes before the department
2 completes the economic impact report and before the department receives a copy of
3 the report and approval under section 227.138 (2)[✓] of the statutes.

4 (END)

d-note
↓

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4403/P1dn

JK:n:...

date

Jkd

Representative Seidel: ✓

Please review this draft carefully to ensure that it is consistent with your intent. ✓

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

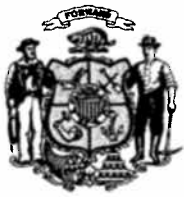
LRB-4403/P1dn
JK:jld:rs

February 23, 2010

Representative Seidel:

Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-4403/F1
JK:jld:rs

RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 2-24-10

D-N

due Fri 2-26

INSERT A

LX

Regen

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2 for hiring new employees and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Under this bill, generally, a business that hires new full-time employees may begin receive a tax benefit, if it applies to the Department of Commerce (Commerce) to receive that benefit. Under the bill, an eligible business may, rather than submit the amount as withholding taxes, retain an amount that is equal to the withholding taxes that the business is required to pay on wages earned by each full-time employee, as certified by Commerce, in the year for which the business claims the tax benefit, multiplied by the employee's applicable tax rate. A business is only eligible for the tax benefits if it employs no more than ten employees during the year. Under the bill, the Department of Revenue (DOR) considers all amounts retained as tax benefits to be amounts submitted to DOR as withholding taxes.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 SECTION 1. 71.645 of the statutes is created to read:
4 **71.645 Job creation tax benefit.** Subject to the limitations provided in this
5 section and s. 560.2057, and notwithstanding any other provision in this subchapter,

1 for taxable years beginning after December 31, 2009, a person who is certified to
2 receive tax benefits under s. 560.2057 (2) may, rather than submit the amount as
3 withholding taxes, retain the amount determined under s. 560.2057 (3). The person
4 shall report this amount to the department, in the manner prescribed by the
5 department, and, for purposes of this chapter, the department shall treat all amounts
6 retained under this section as if the amounts had been withheld pursuant to this
7 subchapter.

8 **SECTION 2.** 560.2057 of the statutes is created to read:

9 **560.2057 Job creation tax benefit. (1) DEFINITIONS.** In this section:

10 (a) "Business" means any organization or enterprise operated for profit,
11 including a proprietorship, partnership, firm, business trust, joint venture,
12 syndicate, corporation, limited liability company, or association.

13 (b) "Eligible employee" means an individual employed in a full-time job by a
14 person certified in sub. (2), if all of the following apply:

15 1. The individual begins employment with the person certified in sub. (2) after
16 February 3, 2010, and before January 1, 2011.

17 2. The individual certifies to the department, in the manner prescribed by the
18 department, that the individual has not been employed for more than 40 hours
19 during the 60-day period ending on the date that the individual begins his or her
20 employment with the person certified in sub. (2).

21 3. The individual is not employed by the person certified in sub. (2) to replace
22 another employee of the person unless the other employee separated from his or her
23 employment with the person voluntarily or unless person terminated the other
24 employee for cause.

25 4. The individual is not an individual described in 26 USC 51 (i) (1).

in this state, ✓

1 (c) "Full-time job" means a regular, nonseasonal full-time position in which an
2 individual, as a condition of employment, is required to work at least 2,080 hours per
3 year, including paid leave and holidays. "Full-time job" does not include initial
4 training before an employment position begins.

5 (d) "Tax benefits" means the jobs creation tax benefit under s. 71.645.

6 (2) CERTIFICATION. The department may certify a person to receive tax benefits
7 under this section if all of the following apply:

- 8 (a) The person is operating or intends to operate a business in this state.
- 9 (b) The person's business employs no more than 10 employees during the
10 taxable year for which the person seeks to claim tax benefits under this section.
- 11 (c) The person applies under this section.

12 (3) TAX BENEFITS. The department may award to a person certified under sub.

13 (2) tax benefits [✓] for each eligible employee ² in an amount equal to the withholding
14 taxes that the person is required to pay under subch. X of ch. 71 on wages earned by
15 each eligible employee in the year for which the tax benefit is claimed, multiplied by
16 the rate under s. 71.06 that applies to that employee. *INSERT 3-16 ✓*

17 (4) LIMITATIONS. (a) A person may not claim the tax benefits under this section
18 and the tax credits under ss. 71.07 (3q), 71.28 (3q), and 71.47 (3q) for amounts related
19 to the same employees.

20 (b) The maximum amount of tax benefits that may be awarded under this
21 section is \$2,000,000.

22 (c) If an eligible employee does not work for the person certified under sub. (2)
23 for at least 30 days during the taxable year for which the person receives the tax
24 benefits, the person shall repay the amount of the tax benefits received for that
25 employee in the manner prescribed by rule by the department.

1 (5) DUTIES OF THE DEPARTMENT. (a) The department of commerce shall notify
2 the department of revenue when the department of commerce certifies a person to
3 receive tax benefits.

4 (b) The department of commerce shall notify the department of revenue within
5 30 days of revoking a certification made under sub. (2).

6 (c) The department shall annually verify the information submitted to the
7 department by the person claiming tax benefits under s. 71.645.

8 (d) The department shall promulgate rules for the implementation and
9 operation of this section, including rules relating to the conditions for the revocation
10 of a certification under par. (b).

11 **SECTION 3. Nonstatutory provisions.**

12 (1) JOB CREATION TAX BENEFITS. The department of commerce may use the
13 procedure under section 227.24 of the statutes to promulgate rules under section
14 560.2057 (5) (d) of the statutes, as created by this act. Notwithstanding section
15 227.24 (1) (c) and (2) of the statutes, emergency rules promulgated under this
16 subsection remain in effect until July 1, 2010, or the date on which permanent rules
17 take effect, whichever is sooner. Notwithstanding section 227.24 (1) (a) and (3) of the
18 statutes, the department is not required to provide evidence that promulgating a rule
19 under this subsection as an emergency rule is necessary for the preservation of the
20 public peace, health, safety, or welfare and is not required to provide a finding of
21 emergency for a rule promulgated under this subsection.

22 (2) RULES. Notwithstanding sections 227.137 (2) and 227.138 (2) of the statutes,
23 if the secretary of administration requires the department of commerce to prepare
24 an economic impact report for the rules required under section 560.2057 (5) (d) of the
25 statutes, as created by this act, the department may submit the proposed rules to the

1 legislature for review under section 227.19 (2) of the statutes before the department
2 completes the economic impact report and before the department receives a copy of
3 the report and approval under section 227.138 (2) of the statutes.

4

(END)

d-note
↓

2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4403/P2ins
JK:jld:rs

Insert A

* ~~NO~~ the increase in the business's ^(S) payroll attributable to new ~~NO~~ employees with full-time jobs

Insert 3 - 16

1 ~~NO~~ amount of the person's payroll for ~~NO~~ employees with full-time jobs ^{year} in the taxable
2 for which the person claims the tax benefits, as determined on a quarterly basis,
3 minus the amount of the person's payroll for employees with full-time jobs in 2009,
4 as determined on a quarterly basis. A person may only receive the tax benefits under
5 this section ~~NO~~ if the increase in the person's payroll is attributable to hiring ~~NO~~ eligible
6 employees

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4403/P2dn

JK:jld:rs

date

↑
Stays

Representative Seidel: ✓

Please review this draft carefully to ensure that it is consistent with your intent. ✓ This draft establishes a base year of 2009 ✓ for purposes of calculating the tax benefits. ✓ The draft also provides that the increase in full-time ✓ employment is determined on a quarterly basis so that the employer may receive the tax benefit as soon as possible. ✓

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

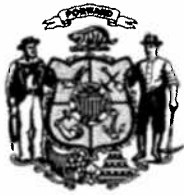
LRB-4403/P2dn
JK:jld:rs

February 25, 2010

Representative Seidel:

Please review this draft carefully to ensure that it is consistent with your intent. This draft establishes a base year of 2009 for purposes of calculating the tax benefits. The draft also provides that the increase in full-time employment is determined on a quarterly basis so that the employer may receive the tax benefit as soon as possible.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov



RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

m 2-25-10

Today

X

Regen

1 AN ACT *to create* 71.645 and 560.2057 of the statutes; **relating to:** tax benefits
2 for hiring new employees and granting rule-making authority. ✓

Analysis by the Legislative Reference Bureau

Under this bill, generally, a business that hires new full-time employees may begin receive a tax benefit, if it applies to the Department of Commerce (Commerce) to receive that benefit. Under the bill, an eligible business may, rather than submit the amount as withholding taxes, retain an amount that is equal to the increase in the business's payroll attributable to new employees with full-time jobs. A business is only eligible for the tax benefits if it employs no more than ten employees during the year. Under the bill, the Department of Revenue (DOR) considers all amounts retained as tax benefits to be amounts submitted to DOR as withholding taxes.

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5 department, and, for purposes of this chapter, the department shall treat all amounts
6 retained under this section as if the amounts had been withheld pursuant to this
7 subchapter.

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24 employee for cause.

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13 (2) tax benefits in an amount equal to the amount of the person's payroll for
14 employees with full-time jobs in the taxable year for which the person claims the tax
15 benefits, as determined on a quarterly basis, minus the amount of the person's
16 payroll for employees with full-time jobs in 2009, as determined on a quarterly basis.
17 A person may only receive the tax benefits under this section if the increase in the
18 person's payroll is attributable to hiring eligible employees.

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23 emergency for a rule promulgated under this subsection.

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25 if the secretary of administration requires the department of commerce to prepare

Barman, Mike

From: Castillo, Cecely

Sent: Thursday, February 25, 2010 11:13 AM

To: LRB.Legal

Subject: Draft Review: LRB 09-4403/1 Topic: Retain withholding taxes for hiring new employees

Please Jacket LRB 09-4403/1 for the ASSEMBLY.